

STATE PROCUREMENT OFFICE
NOTICE OF REQUEST TO AMEND AN EXEMPTION
FROM HRS CHAPTER 103D CONTRACT

14 MAY 15 A8:51

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: High Technology Development Corporation (HTDC)
Name of Requesting Department

Pursuant to HRS §103D-102(b)(4) and HAR section 3-120-5(d), the Department requests to amend an exempt contract as follows:

1. SPO-007, Exemption Reference (PE) Number: 12-010K, as amended by 12-010Ka2

2. Vendor/Contractor/Service Provider Name: N/A

3. Describe the goods, services, or construction:

The INNOVATE Hawaii (formerly the HTDC-Manufacturing Extension Partnership) program is requesting an extension to P.E. No. 12-010K, as amended by 12-010Ka2 to 6/30/15. This exemption allows the program to procure designated consultant support for manufacturing clients' projects through an open and modified RFP process. The RFP invites business consultants not already on INNOVATE Hawaii's prequalified provider list to apply for placement in the upcoming the fiscal year. The current exemption will end on 6/30/14. Copies of PE. No. 12-010K, 12-010Ka1, and 12-010Ka2 are attached.

4. Explain in detail what is being amended:

This amendment will extend the term of the exemption to 6/30/15. The term of contract P.E. 12-010K, as amended by 12-010Ka2 ends on 6/30/14.

5. Amended contract price for this request: \$ N/A

6. Explain in detail why the amendment(s) are necessary:

The program's 100% federally funded grant is being extended to 6/30/15. As specified in our federal contract with the U.S. Department of Commerce National Institute of Standards and Technology (NIST), INNOVATE Hawaii is obligated to provide assistance to small and mid-sized manufacturing companies with technical and managerial challenges, and "conduct the tasks necessary to provide the services or complete [its] objectives and plans timely and responsively." Continuing this exemption allows the program to remain compliant with guidelines and sustain much needed services, contracting with prequalified consultants from the open RFP and those specifically selected by companies who are seeking our assistance. To date, the program has over 20 providers on the list which continues to grow, and has also increased the number of projects.

Also, as both INNOVATE Hawaii and our clients may do business with the same vendors, consolidating the procurement process and allowing INNOVATE Hawaii to contract directly with these pre-qualified providers for the program needs is an efficient use of time and resources.

7. Identify the primary responsible staff person(s) conducting and managing this procurement. Appropriate delegated procurement authority and completion of mandatory training required.)

*Point of contact (Place asterisk after name of person to contact for additional information.)

Name	Division/Agency	Phone Number	Email address
Len Higashi	DBEDT/HTDC	539-3814	len@htdc.org
Sandi Kanemori *	DBEDT/HTDC	539-3616	sandi@htdc.org

**All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
I certify that the information provided is to the best of my knowledge, true and correct.**



Department Head Signature

MAY 14 2014

Date

For Chief Procurement Officer Use Only

Date Notice Posted: 5/19/14

Submit written objection to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

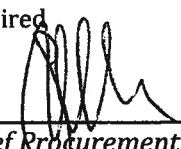
Approval is granted for the period 7/1/14 to 6/30/15 for the solicitation process only. HRS section 103D-310(c) and HAR section 3-122-112 shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting system. Copies of the HCE certificate and awards posting are required to be documented in the procurement/contract file.

If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takesu@hawaii.gov.

☒ Approved

☐ Disapproved

☐ No Action Required


Chief Procurement Officer

6/27/14

Date



13 MAY -8 P1:28

STATE PROCUREMENT OFFICE
NOTICE OF REQUEST TO AMEND AN EXEMPTION
FROM HRS CHAPTER 103D CONTRACT

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: High Technology Development Corporation (HTDC)
Name of Requesting Department

Pursuant to HRS §103D-102(b)(4) and HAR section 3-120-5(d), the Department requests to amend an exempt contract as follows:

1. SPO-007, Exemption Reference (PE) Number: 12-010K, as amended by 12-010Ka1

2. Vendor/Contractor/Service Provider Name: N/A

3. Describe the goods, services, or construction:

The INNOVATE Hawaii (formerly the Manufacturing Extension Partnership) program is requesting an extension to P.E. No. 12-010K, as amended by 12-010Ka1 to 6/30/14. This exemption allows the program to procure designated consultant support for manufacturing clients' projects through an open and modified RFP process. The RFP invites business consultants not already on INNOVATE Hawaii's prequalified provider list to apply for placement in the upcoming the fiscal year. The current exemption will end on 6/30/13. A copy of PE. No. 12-010K and 12-010Ka1 are attached.

4. Explain in detail what is being amended:

This amendment will extend the term of the exemption to 6/30/14. The term of contract P.E. 12-010K, as amended by 12-010Ka1 ends on 6/30/13.

We also request to amend this exemption to allow INNOVATE Hawaii the ability to contract the prequalified consultants from the open RFP for the program's direct needs as they arise.

5. Amended contract price for this request: \$ N/A

6. Explain in detail why the amendment(s) are necessary:

This 100% federally funded grant is being extended to 6/30/14. As specified in our federal contract with the U.S. Department of Commerce National Institute of Standards and Technology (NIST), INNOVATE Hawaii is obligated to provide assistance to small and medium-sized manufacturing companies with technical and managerial challenges, and "conduct the tasks necessary to provide the services or complete [its] objectives and plans timely and responsively." Continuing this exemption will allow the program to remain in compliance with these guidelines and sustain much needed services, by contracting with prequalified consultants from our open RFP and the providers specifically selected by companies who are seeking our assistance.

Also, as both INNOVATE Hawaii and our clients may do business with the same vendors, consolidating the procurement process and allowing INNOVATE Hawaii to contract directly with these pre-qualified providers for the program needs is an efficient use of time and resources.

7. Identify the primary responsible staff person(s) conducting and managing this procurement. Appropriate delegated procurement authority and completion of mandatory training required.)

*Point of contact (Place asterisk after name of person to contact for additional information.)

Name	Division/Agency	Phone Number	Email address
Yuka Nagashima	DBEDT/HTDC	539-3601	ceo@htdc.org
Sandi Kanemori *	DBEDT/HTDC	539-3616	sandi@htdc.org

*All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
I certify that the information provided is to the best of my knowledge, true and correct.*

Department Head Signature

MAY - 7 2013

Date

For Chief Procurement Officer Use Only

Date Notice Posted: **5/8/13**

Submit written objection to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

The initial approval and amendment no. 1 was granted with the understanding that the consultant selection to provide services to the manufacturer would be done through a hybrid process (RFP/Professional Services for consultant services). The approval was granted for the period 07/27/11 to 06/30/13. If the manufacturer pre-determined its selection of the consultant, the hybrid process would not be utilized. The true recipient of the funds through the program is the manufacturer. Therefore, this request to extend the usage of the hybrid process in selecting the consultant is conditioned in that the department shall conduct a competitive sealed proposals process in selecting manufacturers receiving benefits of the fund and explaining the parameters of the program.

The second part of this request is to allow the program to receive direct services from the consultants through the hybrid process. This approval is also conditioned with the understanding that a new solicitation be released to include the expansion of this work.

All awards, regardless of the dollar amount shall be posted on the awards notice site and a record of the posting be placed in the procurement /contract file. This request is approved for the period 07/01/13 to 06/30/14 and is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor is required to be compliant on the Hawaii Compliance Express). Copies of the certificate shall also be documented in the procurement/contract file.

If there are any questions, please contact Donn Tsuruda-Kashiwabara at 586-0565 or donna.tsuruda-kashiwabara@hawaii.gov.

☒ Approved ☐ Disapproved ☐ No Action Required

Donn Tsuruda-Kashiwabara 6/24/2013

Chief Procurement Officer Date



12 JAN 19 10:54

STATE PROCUREMENT OFFICE
NOTICE OF AMENDMENT TO EXEMPTION FROM CHAPTER
103D, HRS, CONTRACT

1. TO: Chief Procurement Officer

2. FROM: DBEDT / High Technology Development Corporation (HTDC)
Department/Division/Agency

3. Name of Contractor: N/A

4. P.E. Reference No. 12-010-K

5. Description of goods, services, or construction:
Business Consultants for Manufacturers and pre-manufacturers.

6. Scope of work for the contract is revised as follows:

An open RFP (ref RFP-12-002-HTDC) will be posted inviting applications to support a broad range of business consulting needs for HTDC's Manufacturing Extension Partnership program throughout the fiscal year. Applications will be reviewed by a committee to create a prequalified list of consultants. As project needs arise, a selection committee will evaluate candidates from the (see attachment for continuation)

Original Contract Price: \$N/A

Amended Contract Price: \$N/A

7. Reason: This / These amendment(s) are necessary because:

Previously PE 12-010-K applied where the manufacturer preselects the business consultant and our funding is not used for the payment. This amendment applies when the manufacturer does not select the consultant and/or if HTDC funds are used in whole or part for the services. Because of the frequency, time constraint, and relatively small dollar amount of the projects, it has not (see attachment for continuation)

8. Direct questions to: Sandi Kanemori

Phone: 808-539-3616

Agency shall ensure adherence to applicable administrative and statutory requirements.

9. Pursuant to § 103D-102, HRS, and § 3-120-5, HAR, I certify that the information provided above is, to the best of my knowledge, true and correct

Department Head

Date

1/17/2012

Reserved for SPO Use Only

10. Date Posted: 1/19/12

11. Submit written objections to this notice of intent to amend a procurement exemption contract within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer
State Procurement Office
P.O. Box 119
Honolulu, Hawaii 96810-0119

Chief Procurement Officer's Comments:

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply (i.e. vendor must be compliant on the Hawaii Compliance Express) and award is required to be posted on the Awards Reporting System. If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

12. ☒ APPROVED ☐ DISAPPROVED

Chief Procurement Officer

Date

13. P.E. No.

12-010Ka1

***Attachment to Notice of Amendment to Exemption from Chapter 103D, HRS SPO-07B
High Technology Development Corporation (HTDC)***

6. (continued)

prequalified list based on the evaluation criteria outlined in the RFP. The procurement officer shall negotiate with the 1st ranked applicant. If negotiations fail, the PO will move to the 2nd then 3rd ranked applicant. Once the contract is awarded, it will be posted on the SPO website. A protest period of five (5) working days follows. HTDC anticipates posting this RFP annually and inviting previously qualified applicants to only provide a letter to confirm their continued interest to remain on the provider list and a declaration of no changes to the original application or provide an updated application if appropriate.

7. (continued)

been practicable to get 3 bids. This consolidated RFP simplifies the application process. It uses the protocol of 103D-304, typically restricted to professional services.

PE12-010Ka1



11 JUL 27 P2:16

STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS

STATE PROCUREMENT OFFICE
STATE OF HAWAII

DTS## 2011 0713113837

1. TO: Chief Procurement Officer
2. FROM: DBEDT / High Technology Development Corporation (HTDC)

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

Brief description of MEP Services:

HTDC-Manufacturing Extension Partnership (MEP) is a federally-funded program that provides specialized business services to local firms. Its mission is to strengthen the competitive position and improve the profitability of Hawaii manufacturing businesses by providing high quality business consulting. All 50 states have a MEP Program. The MEP program has been in Hawaii for over 13 years, and hosted by HTDC for the last eight years.

MEP is a challenging program to administer in Hawaii for the following reasons: NIST enforces Minimally Acceptable Impact Measurements that are reviewed quarterly, and the measurements are primarily based on the revenue, investment and cost savings realized by our clients as a result of MEP services. These are very difficult program measurements to meet. Secondly, the 2:1 cash match is also a difficult requirement to meet, however the state has an advantage in that we can leverage the value of our agency's staff time and overhead expenses to the MEP program. Historically there have been other non-state organizations that have hosted this program, but they were unsuccessful primarily due to their inability to meet the cash match requirement and capacity to provide value-added consulting services to manufacturers.

(continues - see attached)

4. Name of Vendor: Various professional consultants requested by clients

Address:

5. Price:

\$250,000

6. Term of Contract:

From: 7/26/11

To: 6/30/13

7. Prior Exemption Ref. No.
10-007-K

8. Explanation describing how procurement by competitive means is either not practicable nor advantageous to the State: In order to receive federal funding under the MEP Program, the hosting agency is obligated to "conduct the tasks necessary to provide the services or complete [its] objectives and plans timely and responsively". Under its originating legislation, HTDC had an exemption from competitive bidding, therefore at the time that HTDC applied to host the MEP Program eight years ago, HTDC was the logical State agency to house the MEP Program in Hawaii since much of a MEP center's services need to be contracted out. However, the loss of its exemption to 103D has put a strain on HTDC's ability to effectively provide MEP services via outsourcing/contracting. HTDC is continually in danger of being placed on probation by the U.S. Department of Commerce by not being able to comply with all the requirements of the program, particularly in not providing enough consulting to clients per quarter. (continues)

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

All small manufacturing companies in Hawaii can apply to the MEP Program for assistance. MEP staff assess and qualify the client companies' needs. Some of the client companies request designated consultant support (which is outside of the expertise of our MEP staff). The consultants' areas of expertise are varied, and because of this, it is not practical to set up MEP consultant vendor lists. The clients provide private funding to HTDC-MEP to hire the consultant that the client requested, and HTDC-MEP collects and expends the funds to the consultant as a value-add pass through (also providing project management services). After the services have been rendered to the satisfaction of the client, HTDC pays the consultant with funding obtained from the client (private funds, not State funds).

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

A project tracking system that documents the following:

- HTDC-MEP makes assessment of the client's needs, and the client requests a consultant to assist them
- HTDC-MEP qualifies the consultant selected by the client, negotiates the fee, drafts the contract Scope of Work on behalf of the client
- HTDC's Contracts Administrator, Controller, MEP Senior Project Manager and HTDC Executive Director review and approve the Memorandum of Agreement between HTDC and the client company, and the Letter of Agreement between HTDC and the vendor/consultant (both agreements document the Scope of Services, deliverables, timetable, fees).
- HTDC-MEP staff review the performance of the contracted consultant and ensure that contract deliverables are met.

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Yuka Nagashima	Executive Director & CEO	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Wayne Inouye	MEP Senior Projects Manager	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Steve Sakuda	Controller	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Board for oversight	Federal Programs Committee	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration
		<input type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to:

Department: High Technology Develop. Corp.

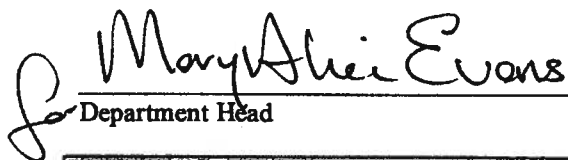
Contact Name: Wayne Inouye

Phone Number: 539-3652

Fax Number: 539-3795

Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*


 Department Head


 Date

Reserved for SPO Use Only

15. Date Notice Posted 7/27/11

The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer
 State Procurement Office
 P.O. Box 119
 Honolulu, Hawaii 96810-0119

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

Chief Procurement Officer's comments:

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply and award is required to be posted on the Awards Reporting System.

16.



APPROVED



DISAPPROVED



NO ACTION REQUIRED

Andrew J. J. J. 8/11/2011
Chief Procurement Officer Date

3. (continued)

If the state does not continue to host the MEP program, it is unlikely that any other organization will be able to host it. Loss of this program will mean a loss of nearly half a million dollars a year in federally funded services to local small businesses, and this will reflect poorly on the state.

As specified in our federal contract with the U.S. Department of Commerce, National Institute of Standards and Technology (NIST), HTDC-MEP is obligated to provide assistance to small businesses to access solutions to technical and managerial problems, and "conduct the tasks necessary to provide the services or complete [its] objectives and plans timely and responsively." To comply with these guidelines and provide needed assistance, HTDC uses both in-house staff and contracts professional consultants as *specifically requested by the companies seeking assistance*.

Because the MEP program has maintained a good track record in the responsible and appropriate use of its SPO exemption, HTDC requests that the current exemption request be in effect through the following fiscal year, ending June 30, 2013 as marked under Term of Contract on page one.

Service Delivery Model:

HTDC-MEP delivers its consulting services by: 1) accepting requests for MEP assistance openly and fairly from any small business manufacturing company in Hawaii; 2) assessing each individual company's needs as an appropriate fit for MEP services; 3) collecting payment from the client companies to receive consulting from the professional consultant of their choice, 4) providing project management over the scope of the project, 5) paying the consultant chosen by the client company with funds collected by the client company.

Fees and Payments:

Federal funding is provided to HTDC under an agreement with the U.S. Department of Commerce to staff the MEP program at HTDC. The staff provide assistance and consulting services to the manufacturing companies. However, often times a company will request a specific consultant outside HTDC, because the HTDC-MEP staff do not possess the particular skill set needed by the client. Under its MEP obligation, HTDC must seek the services of the specified consultant; and, in doing so the federal agreement requires that HTDC collect fees from the client for this additional service. HTDC utilizes in-house contracting staff (supported by federal funding) to hire the consultant specified by the client and fees for this service are paid by the client. *No State general funds are used in this process.* HTDC-MEP is required under the federal contract to generate revenues from its clients (billed as project fees). The fees that are collected from the clients are paid to HTDC, and HTDC in turn pays the consultant for professional services rendered, and completed with oversight by HTDC-MEP staff. The professional consultants that the MEP clients request are greatly varied, and it is common for MEP to contract a consultant with specific expertise just once or only for one client.

8. (continued)

All small manufacturing firms in Hawaii have fair and open access to MEP program assistance, which is provided by the federally-funded HTDC-MEP staff. However, to use the services of specific consultants beyond HTDC's in-house capabilities, the manufacturing client companies pay HTDC directly to contract with their requested consultants, and MEP provides the project management services. HTDC is obligated to meet individual company requests and is spending private funds provided by the companies to obtain the requested services. Under these circumstances, it would not be prudent for HTDC to be constrained by the competitive bidding process, as the client companies would not use the HTDC services and the federal funding for the MEP Program would be withdrawn.

10. (continued)

- Client pays HTDC at set delivery milestones; HTDC pays consultant only after client fees have been collected
- HTDC-MEP staff ensure that the final report and/or other deliverable(s) are completed
- As part of its federal reporting requirement, HTDC-MEP staff follow-up with the client over a minimum of 12 months to measure the client's progress.